



CITY COUNCIL

AGENDA REQUEST

AGENDA OF:	05-17-11	AGENDA REQUEST NO:	IV-A
INITIATED BY:	DONNA SVATEK <i>pms</i> TREASURY MANAGER	RESPONSIBLE DEPARTMENT:	TREASURY
PRESENTED BY:	DONNA SVATEK TREASURY MANAGER	DEPARTMENT HEAD:	KAREN GLYNN <i>Kg</i> ASSISTANT CITY MANAGER
		ADDITIONAL DEPARTMENT HEAD (S):	N/A
SUBJECT / PROCEEDING:	QUALIFIED INVESTMENT BROKERS CONSIDERATION AND APPROVAL OF RESOLUTION 11-20		
EXHIBITS:	RESOLUTION NO. 11-20 LIST OF AUTHORIZED INDIVIDUALS		
CLEARANCES		APPROVAL	
LEGAL:	JOE MORRIS CITY ATTORNEY <i>JDM</i>	ASST. CITY MANAGER:	KAREN GLYNN <i>Kg</i>
PURCHASING:	N/A	ASST. CITY MANAGER:	N/A
BUDGET:	N/A	CITY MANAGER:	ALLEN BOGARD <i>Allen Bogard</i>
BUDGET			
EXPENDITURE REQUIRED: \$		N/A	
AMOUNT BUDGETED/REALLOCATION: \$		N/A	
ADDITIONAL APPROPRIATION: \$		N/A	
RECOMMENDED ACTION			
Consideration and approval of Resolution 11-20 authorizing the opening of securities trading accounts with Great Pacific Securities and the continuance of accounts with Duncan Williams, Inc., First Southwest Company, Wells Fargo Brokerage Services, Apex Securities, Inc., and Coastal Securities.			

EXECUTIVE SUMMARY

Pursuant to the City's Investment Policy and the Public Funds Investment Act, City Council must review and adopt a list of six qualified broker/dealers to engage in investment transactions with the City every two years. Staff mailed questionnaires to 22 broker/dealers and banks in April 2011 and a request for qualifications was published in the City's official newspaper and on the Bidsync website. The City received seventeen responses by the April 28, 2011 deadline. Of the qualified responses received, six are recommended for approval by the City Council. Five of the firms, First Southwest Company, Coastal Securities, Duncan Williams, Wells Fargo, and Apex Securities are currently on the City's list of approved broker/dealers. Staff recommends adding one new firm to the list, Great Pacific Securities, for a total of six authorized broker/dealers.

As required by the Public Funds Investment Act and the City's Investment Policy, all investment purchases are competitively bid. There are not fees charged directly for these services. The broker who offers the best return to the City is awarded the sale in each individual transaction.

The City's Investment Policy identifies several criteria to be used in the selection process, including the types of securities traded, volume of trading, percent of transactions failing, and similar client base. In addition, firms are required to provide any litigation of a material nature requiring disclosure in the firm's annual financial report and references to similar clients. This criteria resulted in the recommendation of the six firms.

The City's Investment Policy and the Public Funds Act also require that the qualified representatives of the firm execute a written instrument stating in effect that the qualified representative has:

1. Received and thoroughly reviewed the investment policy of the City; and
2. Acknowledge that the firm has implemented reasonable procedures and controls in an effort to preclude imprudent investment activities arising out of investment transactions conducted between the City and the organization.

All six recommended firms have executed such an agreement.

EXHIBITS

RESOLUTION NO. 11-20

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUGAR LAND, TEXAS, AUTHORIZING THE OPENING OF SECURITIES ACCOUNTS WITH GREAT PACIFIC SECURITIES, AND THE CONTINUANCE OF SECURITIES ACCOUNTS WITH DUNCAN WILLIAMS, INC., FIRST SOUTHWEST COMPANY, WELLS FARGO BROKERAGE SERVICES, APEX SECURITIES, INC., AND COASTAL SECURITIES.

WHEREAS, Section 2256.025 of the Government Code requires the City of Sugar Land (City) to annually review, revise and adopt a list of qualified brokers that are authorized to engage in investment transactions with the City; and

WHEREAS, the City wishes to authorize the opening of securities accounts with Great Pacific Securities, and to continue securities accounts with Duncan Williams, Inc., First Southwest Company, Wells Fargo Brokerage Services, Apex Securities, Inc. and Coastal Securities; NOW THEREFORE;

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SUGAR LAND, TEXAS:

Section 1. That it authorizes the opening of securities accounts with Great Pacific Securities and to continue securities accounts with Duncan Williams, Inc., First Southwest Company, Wells Fargo Brokerage Services, Apex Securities and Coastal Securities (Broker).

Section 2. That the securities accounts are for the purpose of purchasing and selling securities, as provided by the City's investment policy. All orders and instructions, written or oral, relating to the securities accounts must be given to the Broker by any two of the individuals designated as "Authorized Individuals" in Exhibit A, and any two of them is authorized and directed to purchase and sell any and all securities for the City, including the power to deliver, or accept delivery of securities.

Section 3. That the Broker may deal with any of the Authorized Individuals as though the Broker was dealing with the City directly.

Section 4. That each of the Authorized Individuals is authorized and directed to execute and deliver to the Broker on behalf of the City all agreements, documents, contracts, and other writings that the Broker may require.

Section 5. That the City Secretary (or other duly designated officer) of the City is authorized and directed to certify, under the City Seal, or otherwise to the Broker:

- (a) A true copy of this Resolution;
- (b) Specimen signatures of each individual empowered by this Resolution;
- (c) A certificate (which, if the Broker requires, is supported by an opinion of the general counsel of the City, or other counsel satisfactory to the Broker) that the City is duly organized and existing, that its charter empowers it to transact the business contemplated in this Resolution, and that no limitation has been imposed upon those powers by constitution, statute, regulations, charter, by-law, or otherwise.

Section 6. That the Broker may rely upon any certification given in accordance with this Resolution as continuing fully effective unless and until the Broker receives written notice of an amendment, modification or rescission of this Resolution or certification. The Broker is not liable for any action taken or not taken upon instruction of any Authorized Individual prior to the Broker's actual receipt of written notice of the termination or impairment of the person's authority. The failure to supply any specimen signature or any other documentation does not invalidate any transaction which is in accordance with the authority actually granted.

Section 7. That if there is any change in the office or powers empowered by this Resolution, the City Secretary (or other duly designated officer) will certify the changes to the Broker, in writing, which certification, when the Broker receives it, will terminate the powers of the persons previously authorized and empower the persons thereby substituted.

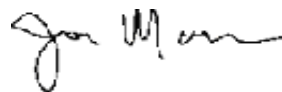
Section 8. That Resolution No. 09-16 is repealed.

APPROVED on _____, 2011.

James A Thompson, Mayor

ATTEST:

Reviewed for Legal Compliance:

 _____

Glenda Gundermann, City Secretary

Attachment: Exhibit A - Authorized Individuals

EXHIBIT A

AUTHORIZED INDIVIDUALS

I, Glenda Gundermann, in my official capacity as City Secretary, certify that any two of the following officers or individuals have been duly authorized to issue instructions concerning the securities account, and that the following are their true signatures.

<u>Name</u>	<u>Title</u>	<u>Signature</u>
Jennifer Brown	Budget and Research Director	_____
Donna Svatek	Treasury Manager	_____
Alka Shah	Chief Accountant	_____

In Witness Whereof, I have hereunto affixed my hand and the Seal of the City, this ____ day of _____, 2011.

Glenda Gundermann, City Secretary